

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
Alexandria Division**

In re:	)	
	)	
EAGLE PROPERTIES AND	)	Bankruptcy Case
INVESTMENTS, LLC,	)	No. 23-10566-KHK
	)	Chapter 7
Debtor.	)	

**CONSENT MOTION TO AUTHORIZE USE OF CASH COLLATERAL OF FULTON  
BANK, N.A. AND APPROVE ESTATE CARVE-OUT**

COMES NOW, H. Jason Gold, the Chapter 7 Trustee (“Trustee”), by his undersigned counsel, and hereby files this motion<sup>1</sup> (“Motion”), pursuant to 11 U.S.C. §§ 105, 363 and 721 authorizing the use of cash collateral of Fulton Bank, N.A., and approving the Estate Carve Out (hereafter defined), stating to the Court as follows:

1. On April 6, 2023, Eagle Properties and Investments LLC (the “Debtor”) filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Bankruptcy Code (the “Bankruptcy Code”).

2. On March 21, 2024, the Order of Conversion of Chapter 11 to Chapter 7 was filed (Docket No. 359). H. Jason Gold was appointed Chapter 7 Trustee.

3. Fulton Bank, N.A. (“Lender”) asserts a security interest in the following properties (each a “Property” and collectively, the “Properties”):

- 1203 Cottage Street, SW, Vienna, VA
- 449 Lawyers Road, NW, Vienna, VA

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<sup>1</sup> In accordance with Local Rule 9013-1(G)(1), the Trustee is combining his memorandum of points and authorities with this Motion.

- 1001 Manning Drive, Fredericksburg, VA
- 213 N. Port Street, Baltimore, MD
- 580 W. Areba Avenue, Hershey, PA
- 1343 Church Road, Hershey, PA
- 7616 Grove Avenue, Harrisburg, PA
- 1630 E. Chocolate Ave, Hershey, PA
- 7939 Rider Lane, Hummelstown, PA

4. Shortly after his appointment, the Trustee received the sum of \$59,751.16 (“Debtor Funds”) in funds that had been in possession of Maurice VerStandig, the Debtor’s Chief Restructuring Officer. Certain of the Debtor Funds may be the cash collateral of Lender.

5. By Order entered on April 5, 2024, the Trustee employed Stephen Karbelk as the real estate agent and team leader of RealMarkets (“Agent”), who is affiliated with CENTURY 21 New Millennium (“Broker”), to procure and submit to the Trustee offers to purchase the Properties.

6. Separately, by order entered on April 5, 2024, the Trustee was authorized to employ Stephen Karbelk as the real estate Asset Manager and team leader of Auction Markets, LLC DBA RealMarkets (“Asset Manager”) to provide asset management services for the Trustee.

7. Certain of the Properties may be subject to current lease agreements through which the Debtor receives rental income which may constitute the cash collateral of Lender.

8. Lender desires the Trustee, with the assistance of Agent, Broker and Asset Manager to market the properties for sale and to preserve their value for the benefit of Lender and the estate generally.

9. In order to effectively market the properties for sale and preserve their value, the Trustee requires the use of any rental income from the Properties.

10. To the extent utilities, insurance premiums, title reports, re-keying expenses or other reasonable, necessary and documented costs associated with the maintenance, upkeep, operation and repair of the Properties are required, consistent with the order approving the employment of Asset Manager, the Trustee will pay those costs directly in his discretion or by reimbursing the Asset Manager. In the event there is an expense outside of the ordinary course of business that exceeds \$500.00, such as making a one-time repair, then the Trustee shall obtain the consent of the Lender.

11. The Trustee seeks approval to advance up to Five Thousand Dollars (\$5,000.00) from unencumbered estate funds to the Asset Manager to pay expenses approved by the Trustee for the purpose of maintaining and preserving the Properties until such time as the Properties are sold. The Asset Manager will hold the funds in his Trust Account and provide a monthly account reconciliation report to the Trustee. The estate will be reimbursed for these expenses upon the closing of the sale of the Property for which the expense was made.

12. Pursuant to 11 U.S.C. Section 363(c), Lender consents to the use of cash collateral as reflected in the consent order submitted with this Motion.

13. In addition, Lender has agreed that the estate shall be entitled to the following amounts from the proceeds of the sale of each of the Properties (the “Carve-Out”):

- i. Funds sufficient to pay the Trustee’s statutory commission on the gross sale price calculated pursuant to 11 U.S.C. § 326; and
- ii. an additional five percent (5%) of the gross sale price for the benefit of the

estate.

14. The Trustee will first seek payment of the Carve-Out from the interest of any subordinate lienholders (if any) in the proceeds of the Property sold before seeking payment in full or in part from Lender's interest in such proceeds.

15. This agreement is without prejudice to the rights of any party, including, without limitation, (a) the Trustee's right to challenge the validity, extent, priority and amount of any liens on the Properties and to object to any secured or unsecured claims filed by Lender or any other party, or (b) Lender's and/or any other party's right to object to or otherwise challenge the motion(s) to sell any of the Properties.

WHEREFORE, the Trustee respectfully requests that the Court enter the Consent Order attached hereto as Exhibit A authorizing the use of cash collateral of Fulton Bank and approving the Carve Out; and for such other relief as is just and proper.

Respectfully submitted,

H. JASON GOLD, TRUSTEE

By Counsel

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Dylan G. Trache, Va. Bar No. 45939

*Counsel to the Chapter 7 Trustee*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 16<sup>th</sup> day of April, 2024, the foregoing Motion was served via CM/ECF to the parties registered to receive such notices, and via first class mail, postage prepaid, to the parties on the attached service list<sup>2</sup> and to:

Michael T. Freeman  
Office of the United States Trustee  
1725 Duke Street, Suite 650  
Alexandria, VA 22314

Nancy Greene  
N D Greene PC  
3977 Chain Bridge Rd, Suite 1  
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Baltimore, MD 21202

/s/ Dylan G. Trache  
Dylan G. Trache

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<sup>2</sup> Pursuant to Local Rule 5005-1(C)(8), the attached service list is not being served on each of the parties, but is attached to the original Certificate of Service filed with the Court.